

August 8, 2025

***Via Electronic Submission***

Patrick Doherty  
Program Manager, Compliance Assurance Division  
Electrical Infrastructure Directorate  
715 P Street, 20<sup>th</sup> Floor  
Sacramento, California 95814

Re: Pacific Gas and Electric Company's Comments on Final Annual Report on  
Compliance for the 2023 Wildfire Mitigation Plan, Docket No. 2023-ARC

Dear Mr. Doherty,

Pacific Gas and Electric Company submits these comments in response to the Final 2023 Annual Report on Compliance (ARC), issued by the Office of Energy Infrastructure Safety (Energy Safety) on July 25, 2025, determining our compliance with our 2023 Wildfire Mitigation Plan (WMP).

We were pleased to see Energy Safety's acknowledgement of our efforts to execute and meet our objectives and initiatives for the 2023 WMP and appreciate the opportunity to provide supplemental information and context to Energy Safety's findings. Please do not hesitate to reach out should you have any questions or concerns.

Sincerely,

Daniel Kushner, PhD  
Sr. Director, Electric Risk & Compliance

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**Pacific Gas and Electric Company's Comments on the  
Office of Energy Infrastructure Safety's Final Annual  
Report on Compliance for the 2023 Wildfire  
Mitigation Plan**

**August 08, 2025**

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## **I. EXECUTIVE SUMMARY**

In 2023, Pacific Gas and Electric Company (PG&E) continued to enhance and mature its profile of initiatives to reduce wildfire risk. The work that the Office of Energy Infrastructure Safety (Energy Safety) undertook in reviewing, requesting revisions, and ultimately approving our 2023 Wildfire Mitigation Plan (WMP) contributed to these improvements and helped improve public safety.

In the 2023 WMP ARC, Energy Safety concluded that, “[o]n balance, PG&E was successful in executing its plan for wildfire risk mitigation in 2023 as it completed 97% of its 2023 WMP initiative activities.”<sup>1</sup> PG&E appreciates Energy Safety’s acknowledgement that PG&E successfully executed its 2023 WMP. However, Energy Safety also identified some specific areas of improvement, in particular, in the areas of record keeping and financial management of initiative funding. Our goal through this response is to address these findings and provide context to the areas for improvement identified by Energy Safety.

We continue to diligently and transparently respond to and incorporate Energy Safety’s findings and recommendations in subsequent filings and reports and will continue to innovate and seek breakthrough solutions to further evolve future WMPs. PG&E remains committed to eliminating wildfire risk caused by electric utility facilities.

## **II. RESPONSES TO AREAS FOR IMPROVEMENT RELATED TO INITIATIVE FUNDING**

In its evaluation of the ARC Energy Safety noted that “PG&E spent below the planned amounts on its 2023 WMP initiatives by approximately \$73 million in aggregate.” However, PG&E wishes to clarify the actual underspend amount is slightly less than that. Table 4, submitted by PG&E on April 1, 2025, shows an underrun of \$65.7 million. Comparing Table 4 to Appendix A in the ARC, PG&E would like to highlight that two commitments related to Vegetation Management are missing from the Appendix: VM-18 (VM for Operational Mitigations) and VM-19 One VM Application Record Keeping Enhancement. The additional spending relative to the budget for these two commitments reduces PG&E’s underrun by approximately \$7.1 million. Regardless, PG&E appreciates Energy Safety’s review of these materials and is taking the actions described below to improve financial reporting for work described in the WMP.

### **A. Inconsistent Recordkeeping and Reporting Funding in the ARC**

In the 2023 ARC, Energy Safety stated the following related to PG&E’s financial recordkeeping:

As a result of Energy Safety’s independent analysis, this report determines that PG&E’s record keeping for WMP-related expenditures in 2023 is inconsistent and

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<sup>1</sup> Energy Safety 2023 WMP ARC for PG&E at 38.

should be improved in future years. In particular, it appears that a large amount of WMP-related work is funded in such a way that PG&E does not believe it requires reporting in the EC ARC. For example, PG&E's 2023 Q4 QDR resubmission identifies nearly \$1 billion in expenditure on activities that appear to be related to EPSS operations, while there is no mention of this expenditure in the various EC ARCs submitted by PG&E for the 2023 compliance year.<sup>2</sup>

PG&E agrees that that the WMP recordkeeping for expenditures could be improved and appreciates the opportunity to clarify the processes used for reporting these expenditures. PG&E certainly did not intentionally exclude specific expenditures in order to confuse or mislead Energy Safety. Cost reporting for Wildfire Mitigation Plans occurs in multiple places and in multiple formats. For example, Section 4.3 of the WMP shows high-level annual projected expenditures while the Quarterly Data Report's Table 11 shows projected expenditures with CapEx/OpEx and HFTD/System Territory detail. In the 2023 ARC Table 4, PG&E understood the population should only include tracked costs associated with WMP targets and objectives with a Tracking ID# because Table 11 in the QDR showed the entirety of PG&E's wildfire mitigation expenditures. For some line items present in Table 4 of the ARC, PG&E noted that the costs associated for that work were in Provider Cost Centers (PCCs), which are pass-through cost centers used to collect costs associated with internal labor that are subsequently settled or allocated to overhead or other orders. Qualitative commitments such as targets SA-03 (EFD and DFA Reporting) or EP-02 (Maintaining Hazards Planning) involve internal labor performed by employees whose time spent on these tasks is not segregated from time spent elsewhere. This is also the case where employees are evaluating enhancements (SA-04); (PS-01 through PS-05); (EP-05), performing feasibility studies (SA-09), holding meetings (CO-01); (PS-10) and reporting on outreach (CO-04). In these instances, the 'Method of Verification' noted in the WMP provides the principle means of confirming the initiative was completed. Regarding EPSS work, PG&E reported the portion of EPSS work related to Downed Conductor Devices (DCD) in initiative GM-06, which is included in Table 4 of the ARC. Because other aspects of EPSS work did not include specific targets, expenditures for that work were excluded from the ARC, but included in the QDR.

## **B. Improving Expenditure Reporting**

In the 2023 WMP ARC, Energy Safety also urges PG&E to improve its expenditure reporting:

Given the significant amount of funds that have been approved for PG&E's WMP work, PG&E should improve its expenditure reporting in the EC ARC to eliminate the kinds of discrepancies identified above. This will ensure that Energy Safety, the independent evaluator of PG&E's WMP work, and other stakeholders fully understand the cost of PG&E's WMP-related work and the specific costs

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<sup>2</sup> Energy Safety 2023 WMP ARC for PG&E at 10.

associated with discrete areas of that work.<sup>3</sup>

PG&E understood the ARC population of data should be only for WMP initiatives with a Tracking ID Number and, therefore, a subset of the WMP QDR financial table. Given the comments on our process, PG&E is committed to improving its expenditure reporting so that the QDR and ARC financials tie. Beginning in 2026 (for our 2025 data), PG&E will enhance our expenditure reporting in the EC ARC financial table to include additional rows that contain tracked initiative costs without a Tracking ID Number, for the wildfire mitigations included in Table 11 of the QDR. PG&E will also provide an additional indicator in future ARC reports that helps identify initiatives where there was underspend more than 10% but the targeted units (where applicable) were met, versus an underspend of more than 10% but the targeted units were not met. PG&E remains committed to improving our process and the data we provide to ensure all parties fully understand PG&E's WMP work and the costs associated with it.

### **III. PG&E WMP RECORDKEEPING**

Energy Safety identified recordkeeping related to mitigation work as an area for improvement by PG&E.<sup>4</sup> PG&E has made improving its data management and governance an area of focus and has made significant strides in this area since 2023. In particular, since the submission of our 2023 ARC, PG&E implemented the following processes and corrective actions to ensure accuracy of our wildfire mitigation data:

- 1) ARC values are checked against Q4 Quarterly Data Report (QDR). This ensures the ARC values for WMP initiatives are for the full year's attainment and not based on WMP target closure validation alone. WMP target closure validation is conducted when the WMP target is met, which can be days or months sooner than the end of the year. This work began with PG&E's 2024 ARC.
- 2) PG&E performs an internal audit to review and confirm the end of year (EOY) final attainment values. This work began with PG&E's 2024 ARC.
- 3) PG&E implemented an EOY attestation process for the Responsible Directors and Chief Sponsors of the work at issue, where they must confirm and approve the final attainment values. This work began with PG&E's 2025 ARC.

### **IV. RESPONSES TO NON-ATTAINMENT OF WMP INITIATIVE ACTIVITIES**

Energy Safety determined that PG&E met 58 of its 60 targets (or 97%) of its 2023 WMP Update Initiative activities and objectives. The two non-attained targets were vegetation management (VM) initiative activities. Energy Safety's analysis indicated that PG&E did not perform all the work required to meet two target initiatives, and we respond to each below.

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<sup>3</sup> Energy Safety 2023 WMP ARC for PG&E at 10.

<sup>4</sup> Energy Safety 2023 WMP ARC for PG&E at 37.

## **1. Wood and Slash Management (8.2.3.2)**

Regarding PG&E’s wood and slash management work, Energy Safety found as follows:

Regarding PG&E’s initiative 8.2.3.2 (Wood and Slash Management), Energy Safety stated that PG&E was unable to demonstrate that debris less than four inches in diameter generated by PG&E’s vegetation management activities was managed in accordance with applicable regulations and owner preferences.<sup>5</sup>

As stated in PG&E’s response to the 2024 Substantial Vegetation Management Audit Question 30, PG&E does not track the management of vegetative material less than 4 inches in diameter – also referred to as “debris.” As part of our VM process, crews are instructed that they must complete all associated debris treatment in order for work to be considered complete, and this requirement is memorialized in PG&E’s VM contracts. Therefore, given that it is understood by VM crews that debris treatment is part of the required work, PG&E has not tracked it separately from the other VM work being performed. However, in consideration of Energy Safety’s feedback, PG&E’s VM Quality Control team will incorporate wood debris management verification into their quality observations by the end of year 2025 to validate that this aspect of the work is being properly performed. Observations will be performed on a sample of completed tree work locations.

## **2. Fall-In Mitigation (8.2.3.4)**

Regarding initiative 8.2.3.4 (Fall-in Mitigation), Energy Safety determined that:

Approximately 20% of Second Patrol dead or dying tree mitigation work was not completed within the timelines stated in PG&E’s 2023 WMP. Additionally, PG&E’s Corrective Action Plan indicated that as of March 20, 2025, 1,665 dead or dying trees with potential to strike PG&E’s facilities first identified in 2023 have not been mitigated.<sup>6</sup>

PG&E has been keeping Energy Safety informed about the progress of this work and provides the following update on the 1,665 dead or dying trees.<sup>7</sup>

For the 1,369 trees in HFTD areas first identified in 2023 that were not mitigated as of March 20, 2025:

- 403 trees have since been mitigated;
- 171 trees have been re-inspected and determined to no longer need work;
- 17 trees were previously constrained, are no longer constrained, and are in the process of being worked; and
- 778 trees remain constrained.

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<sup>5</sup> Energy Safety 2023 WMP ARC for PG&E at 15.

<sup>6</sup> Energy Safety 2023 WMP ARC for PG&E at 15.

<sup>7</sup> This data provided is as of August 1, 2025.

For the 296 trees in non-HFTD areas first identified in 2023 that were not mitigated as of March 20, 2025:

- 33 trees have since been mitigated;
- 52 trees have been re-inspected and determined to no longer need work;
- 7 trees were previously constrained, are no longer constrained, and are in the process of being worked; and
- 204 trees remain constrained.

As detailed in the attached data, the majority of the remaining constraints are related to environmental permitting and coordination with land-owning agencies. We are working with the appropriate agencies to obtain the necessary permits or agreements, including requesting approval through Governor Newsom's March 1, 2025, State of Emergency Proclamation permit suspension request process where appropriate.

For additional information on this work, please see Columns S to X in attachment "*DRU16151\_Q002\_Atch01\_Dead&Dying\_1,665.xlsx*."

## **V. CONCLUSION**

PG&E appreciates Energy Safety's acknowledgement of PG&E's efforts to execute and meet its 2023 WMP Updates. We take seriously the report's conclusions and continue to make organizational improvements to prevent the recurrence of these issues. We look forward to continuing to work with Energy Safety to achieve our goal of ending catastrophic wildfires.